

**REGULAR MEETING
of the
CITY OF RIALTO
CITY COUNCIL/REDEVELOPMENT AGENCY

MINUTES
August 23, 2011**

A regular meeting of the City Council/Redevelopment Agency of the City of Rialto was held in the City Council Chambers located at 150 South Palm Avenue, Rialto, California 92376, on Tuesday August 23, 2011.

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This meeting was called by the presiding officer of the Rialto City Council in accordance with the provisions of **Government Code §54956** of the State of California.

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CALL TO ORDER

Mayor Pro Tem Ed Scott called the meeting to order at 5:00 p.m.

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The roll was called and the following were present: Mayor Pro Tem Ed Scott and Council Members Deborah Robertson, Ed Palmer, Joe Baca Jr. Also present were City Administrator Michael Story, and City Clerk Barbara McGee. Mayor Grace Vargas and City Attorney Jimmy Gutierrez were absent.

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CLOSED SESSION

1. Conference with Legal Counsel – Existing Litigation. The City Council and Redevelopment Agency Board will discuss the following pending litigation pursuant to Government Code Section 54956.9(a):
 - (a) City of Colton v. American Promotional Events, Inc., et al.
United States District Court Case No. EDCV 09-01864 PSG (SSx)

CLOSED SESSION

2. Conference with Labor Negotiator regarding the following recognized employee organization pursuant to Government Code Section 54957.6:

Agency negotiator: Brad Neufeld, GSNT

Employee organization: Rialto Police Benefit Association
Police Management Bargaining Unit
Mid-Management Bargaining Unit
General Bargaining Unit
CGMA Bargaining Unit
Fire Management Bargaining Unit
Firefighters Union Local 3688

3. The City Council will consider the following public employee appointment pursuant to Government Code § 54957:

Title: City Administrator

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Motion by Council Member Robertson, second by Council Member Palmer and carried by a 4-0 vote to go into Closed Session at 5:07 p.m. Mayor Vargas and City Attorney Gutierrez were absent.

City Attorney arrived in Closed Session at 5:15 p.m.

City Council returned at 6:00 p.m.

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CALL TO ORDER

Mayor Pro Tem Ed Scott called the meeting to order at 6:03 p.m.

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The roll was called and the following were present: Mayor Pro Tem Ed Scott, Council Members: Ed Palmer, Joe Baca Jr., and Deborah Robertson. Also present were City Administrator Michael Story, City Attorney Jimmy Gutierrez and City Clerk Barbara McGee. Mayor Grace Vargas was absent.

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Pledge of Allegiance and Invocation

Council Member Joe Baca Jr. led the pledge of allegiance and Pastor Sonny Phillips – St. Paul Family Ministries gave the Invocation.

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City Attorney's Report

City Attorney Gutierrez stated the City Council went into Closed Session and discussed the first item – Conference with Legal Counsel on existing litigation under Government Code Section 54956.9 (a) The City of Colton v. American Promotional Events. This is the City's perchlorate litigation; the City Council received an update and no action was taken. Item 2 was Conference with the City's labor negotiator Mr. Brad Neufeld under Government Code Section 54957.6 regarding all employee organizations. Mr. Neufeld gave an update to City Council, no action was taken. Item 3, was the City Council's consideration of a public employee appointment under Government Code Section 54957 regarding the City Administrator. City Council appointed him at the last meeting and they discussed the terms and conditions of his employee agreement. There was no discussion on his salary and no vote was taken.

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Richard McInnis, Native Sons of the Golden West stated they would be performing a Dedication Ceremony at the City's Centennial Celebration.

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CONSENT CALENDAR

A. WAIVE FULL READING OF ORDINANCES

1. Waive reading in full, all ordinances considered at this meeting.

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B. APPROVAL OF WARRANT RESOLUTIONS

1. Resolution No. 4 (7/29/11)
2. Resolution No. 5 (8/05/11)

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C. APPROVAL OF MINUTES

1. Regular RDA/City Council Meeting – July 26, 2011
2. Regular RDA/City Council Meeting – August 9, 2011

D. SETTING OF PUBLIC HEARINGS

1. Request RDA/City Council to set a public hearing for the **September 13, 2011** City Council Meeting to consider and approve the City's 2010-2011 Consolidated Annual Performance and Evaluation Report.

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CONSENT CALENDAR

E. MISCELLANEOUS

1. Request City Council to adopt **Resolution No. 6041** accepting the Homeland Security Grant in the amount of \$13,230.
2. Request RUA/City Council to adopt **RUA Resolution No. 04-11** and increase in Purchase Order Number 2011-2485 in the amount of \$20,000 issued to Prime Systems Industrial Automation, Inc. for SCADA System Programming as part of Phase I of the Wastewater Treatment Plant Upgrade Project.
3. Request City Council to adopt **Resolution No. 6042** approving a revised City of Rialto schedule of fines for parking violations.
4. Request City Council to approve a Memorandum of Understanding (MOU) with San Bernardino Associated Governments (SANBAG) for the maintenance of the traffic signal interconnections, Tiers 1 through 4 in the City.
5. Request City Council to adopt **Resolution No. 6043** authorizing the Submission of a Grant Application to San Bernardino Associated Governments (SANBAG) Transportation Development ACT (TDA), Article 3 Program requesting \$500,000 for the Rails to Trails Project.
6. Request City Council to adopt **Resolution No. 6044** authorizing the Submission of a Statewide Park Development and Community Revitalization Program requesting \$5,000,000 for the Rails to Trails Project.

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Motion by Council Member Robertson, second by Council Member Palmer and carried by a 4-0 vote to approve the Consent Calendar as presented. Mayor Vargas was absent.

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NEW BUSINESS

TAB 1 – Employment Agreement with City Administrator

City Attorney Gutierrez stated this item pertains to the Employment Agreement for Michael Story as the City's new City Administrator. It reflects that his term will begin on August 9th which was the last City Council Meeting when City Council appointed him and will continue until December 31, 2012. The Agreement will have all the same duties that are in the Code for City Administrator plus any other assignments the City Council wishes to give him. He will also serve as the Executive Director of the Redevelopment Agency. The duties and his powers are similar to other City Administrators. His compensation will be 2.5% above what Mr. Kling was being paid - \$196,062 per year. He will also have the same benefits that he has had as a Department Head with the exception of the entitlement to use a City vehicle. The agreement provides that he shall have two performance evaluations, March 2012 and July 2012.

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NEW BUSINESS

TAB 1 – Employment Agreement with City Administrator

Council Member Baca Jr. stated Mr. Story will do a good job for the City. He lives in Rialto and been with the city for quite a few years. He very conscientious and cares about his work. His terms of the contract is a \$50,000 to \$60,000 savings. It's a big cost savings and Mr. Story was conscientious about making sure he did it at a reasonable rate and he thanked him for that.

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Mayor Pro Tem Scott stated he appreciates Mr. Story taking on the challenge. Rialto is the first City to take a drastic step and not go the "norm" as most cities do in hiring a City Administrator. City Administrators tend to make a lot of money and have a lot of benefits and perks. Mr. Story will not have those and the cost savings are much more substantial than \$50,000. Mr. Story has taken that step because he believes in this City and employees and wants to make the first effort to show his willingness to work for reasonable salary and not ask for a lot of special things. He applauds him and this City Council for being strong enough to move forward with this type of a situation and it will save the City money. They have a guy that knows the City inside and out. Other cities need to pay attention and follow suit.

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Council Member Robertson stated that they recognize and truly appreciate that Mr. Story is not just nickel and diming but trying to set a trend and adjust things more consistent with what is going on with the economy. She welcomed him on board.

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Motion by Council Member Robertson, second by Council Member Baca Jr. and carried by a 4-0 vote to approve Employment Agreement with City Administrator. Mayor Vargas was absent.

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TAB 2 - Final Landscaping Plans for the Riverside/I-10 Interchange Project

Ahmad Ansari stated this is request to approve Final Landscaping Plans for the Riverside/I-10 Interchange Project an authorize staff to submit the plans to Caltrans. As City Council recalls back in March 2011 the landscape and hardscape concepts were presented to City council by SANBAG. The design was presented to the Beautification Commission. The design was also presented at the Economic Development Committee Meeting on August 3rd. SANBAG has been invited to present the final design and an anticipated schedule for the City Council review and approval. Plans are currently 95% completed and SANBAG is preparing to deliver the final plans to Caltrans.

NEW BUSINESS

TAB 2 - Final Landscaping Plans for the Riverside/I-10 Interchange Project

Tim Watkins, SANBAG presented the final design and highlighted some of the concept changes.

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Council Member Baca Jr. stated that this is a good plan. When he drives up and down the 210 freeway, they notice the graffiti between Riverside Ave. and Ayala Ave. Is it possible to put ivy on those walls? The problem is that it's a dark spot and kids go there at night.

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Tim Watkins, SANBAG stated that it might be in conflict with the plan as far as the aesthetic treatments and the rib wall that is part of the architectural treatment. These are two different freeways.

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Council Member Baca Jr. apologized for getting ahead of himself and mixing up the two freeways.

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Council Member Robertson stated that speaking of the 210 freeway one of the things discussed was a little more hardscape in the 10 freeway project. However, recognizing they are 95% completion and the landscaping plan looks good. When are they expecting bids going out? When are they expecting construction of the landscape portion?

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Tim Watkins, SANBAG stated early next year.

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Council Member Robertson stated that she would like for them to look at hardscape when they can for the 210 freeway from Sierra to Alder. There is another proposal for a more decorative hardscape for the Ayala area. She stated that she went under the bridge last night coming home on the 10 freeway and its coming along fairly quick.

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Motion by Council Member Robertson, second by Council Member Baca Jr. and carried by a 4-0 vote to approve Final Landscaping Plans for the Riverside/I-10 Interchange Project and authorize staff to submit Landscaping Plans to California Department of Transportation. Mayor Vargas was absent.

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NEW BUSINESS

TAB 3 – Pride Platoon Program

Police Captain Tony Farrar stated this item is requesting authorization to accept the Community Development Block Grant funds for the Pride Platoon Program in the amount of \$55,563. This program is designed to deal with at-risk youth. It utilizes proactive techniques for positive redirection and overseen by Police Department staff and personnel. It's a collaborative effort between law enforcement, community based organizations and works to instill qualities such as pride, respect, integrity, discipline and enthusiasm in the youth that attend. Staff is recommending that City Council approve an appropriation of \$55,563 to the General Fund Pride Platoon accounts.

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Council Member Palmer stated that a Pride Platoon graduation is something to see, which gets quite emotional. The kids that go through it, go through a change in their attitude towards school, peers and family. Along with the respect to the community and the Police Department.

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Council Member Baca Jr. stated that this is a great program that focuses on Rialto residents. The police are there to help so it builds up bridges within the community and helps the kids get discipline and structure.

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Motion by Council Member Palmer, second by Council Member Robertson and carried by a 4-0 vote to adopt **Resolution No. 6045** accepting the Community Development Block Grant for the Pride Platoon Program in the amount of \$55,563. Mayor Vargas was absent.

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TAB 4 - DUI Enforcement and Awareness Program Grant

Police Captain Tony Farrar stated that this requesting authorization to accept the Office of Traffic Safety DUI Enforcement and Awareness Grant for the Fiscal Year 2011-2012. In June 2011, the Rialto Police Department concluded a comprehensive DUI Grant that was extremely successful in reducing DUI and no driver's license related crashes. They applied for and was awarded additional funds for fiscal 2011-2012. Funds for this grant period will be used to conduct a variety of law enforcement operations. Most notable the DUI and CDL checkpoints, officer training, saturation patrols and motorcycle safety programs. The total amount of the grant received was \$141,006.

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NEW BUSINESS

TAB 4 - DUI Enforcement and Awareness Program Grant

Motion by Council Member Baca Jr., second by Council Member Palmer and carried by a 4-0 vote to adopt **Resolution No. 6046** authorizing to accept the Office of Traffic Safety – DUI Enforcement and Awareness Program Grant in the amount of \$141,006. Mayor Vargas was absent.

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TAB 5 - Third Amendment to the Professional Services Agreement with Fulbright & Jaworski, LLP

Ahmad Ansari, Public Works Director/City Engineer stated that this is a request for City Council to approve Amendment No. 3 to the Professional Services Agreement with Fulbright & Jaworski Law Firm in relation to the legal services and evaluation of the City's Water and Wastewater facilities and operations. The Agreement needs to be increased in the amount of \$280,000 for the additional tasks performed under this project.

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Council Member Robertson stated as she was reading the report and Resolution. They are asking for a compensation of \$280,000 but she didn't know what this was covering up to what point.

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Ahmad Ansari, Public Works Director/City Engineer stated that the \$280,000 is for the tasks that were already performed in April, May and June. However there is an amount of budget, according to Mr. Hunt, in their contract already that would have been for the Prop. 218 process. They have not billed the City for that amount and the current efforts are minimal with the Utilities Commission involvement and evaluation of the alternatives.

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Council Member Robertson stated that she noticed when she was reading it was noted that there were some things that hadn't really been identified in the course of trying to work through the Concession Agreement.

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Ahmad Ansari, Public Works Director/City Engineer stated in the month of May and June there were negotiations, meetings, and agreements regarding financing documents were intense and could not be foreseen in the previous amendment.

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Don Hunt, Fulbright & Jaworski stated when they originally submitted the fee proposal on Phase 3 for the Second Amendment in January 2011. The finance team on both sides thought at that time that the concession agreement negotiations and the final document would be completed by March 15th. The fees were based on that assumption and the schedule of meetings that were set at that time.

NEW BUSINESS

TAB 5 - Third Amendment to the Professional Services Agreement with Fulbright & Jaworski, LLP

Don Hunt, Fulbright & Jaworski stated on March 15th it was not completed and in March/April the Concessionaire originally planned on doing their financing and all their financing documents after the City Council considered the Concession Agreement. They determined that because they had some changes on how they were going to finance it, that they needed to negotiate all of those documents prior to the completion of the Concession Agreement. The lenders wanted to have input into all of those documents and they affected the terms of the Concession Agreement. As the term sheet started coming out on those documents, the City side found out basically that they needed to be involved on the negotiation of all of those documents and they were critical to the final form of the Concession Agreement. None of that was anticipated when they did the proposal in January 2011. This is to cover those aspects of the documents and negotiations that were heavily impacted not only by the fact that the Concession Agreement had not been completed by March 15th because of various issues that were still open. All of these additional documents had to be negotiated and worked through. It was something the Concessionaire didn't anticipate.

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Council Member Baca Jr. asked when does it all end. When are they done here so they don't have to come back before City Council again.

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Don Hunt, Fulbright & Jaworski stated that this is for work already done. They are not charging the City for any of the work they are doing with the Utility Authority now in helping them understanding the various issues involved in the water and wastewater systems. If the City makes a determination as to whether they want to do anything and if so, what, then all of the costs involving processing the 218 procedures are already covered by the contract. There will be no additional fees. Depending on what the City determines what it wants to do, if it goes a different direction and the City asks them to document whatever that change in course is, then they will give an estimate for what that would cost.

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Council Member Robertson stated that what she was concerned with, it was saying there were some things that occurred that they had not anticipated. They looking for something to come to City Council by September.

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Mayor Pro Tem Scott stated that if they move forward with rate increases then the 218 process would be covered.

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NEW BUSINESS

TAB 5 - Third Amendment to the Professional Services Agreement with Fulbright & Jaworski, LLP

Motion by Council Member Palmer, second by Council Member Robertson and carried by a 4-0 adopt budget **RUA Resolution No. 05-11** and approve a Third Amendment to the Professional Services Agreement with Fulbright & Jaworski, LLP to increase Purchase Order No. 2011-1886 in the amount of \$280,000. Mayor Vargas was absent.

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TAB 6 - Seventh Amendment to PSA Science Applications International Corporations for Phase I of the Wastewater Treatment Plant Upgrade

Ahmad Ansari, Public Works Director/City Engineer stated that this is a request to approve a Seventh Amendment with SAIC, Inc. (formerly R.W. Beck) for their continued oversight services on the Wastewater Treatment Plant Upgrade Project Phase I – Chevron Project. SAIC was first brought on board back in July 2007 for this project. There have been six amendments to extend the contract due to delays and issues with the commissioning phase of this project update for a total of \$1,554,819. The commissioning phase of the project is testing and making sure all the equipment and components will continue to work together. The additional tasks were unforeseeable at the time of the previous amendment. Staff negotiated a fee of \$167,725 based on the time and material for the actual hours worked which will bring the total contract to over \$1.7 million. There has been significant progress in the Chevron project and thanked the Utilities Commission for their involvement. Fuel cells are running and producing at about 240 kilowatt/hour of electricity to run the plant during the last 3 weeks. The second operational testing on the Phase I system is anticipated to begin in a week or two.

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Mayor Pro Tem Scott stated he continues to have a concern on why they are spending money on this project when Chevron should have delivered something to the City but understanding that there may be some legal issues, including a lawsuit, he asked the City Attorney if they should be discussing this in open session or should it be put on a closed session agenda item.

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City Attorney Gutierrez stated that he doesn't see any objection to having it publically because they are only approving the Amendment to the Contract that provides services. It doesn't relate directly to what their legal claim will ultimately be with Chevron.

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Mayor Pro Tem Scott asked if they are keeping track of all this so they can recover any dollars that they have spent that Chevron should have spent in reality.

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NEW BUSINESS

TAB 6 - Seventh Amendment to PSA Science Applications International Corporations for Phase I of the Wastewater Treatment Plant Upgrade

Ahmad Ansari, Public Works Director/City Engineer stated the answer is yes.

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Council Member Robertson stated she was more concerned with, besides the fact that they need to recover from Chevron and there may be some litigation, will the system be fully up and operational. They have a date of November 30, 2011 but they are anticipating that this process will function.

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Ahmad Ansari, Public Works Director/City Engineer stated that is everyone's hope.

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Council Member Robertson asked at what point do they know it will work. She feels like it's a car they are trying to get started.

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Ahmad Ansari, Public Works Director/City Engineer stated that it's a project that has been a learning process for all parties involved.

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Council Member Robertson asked so at some point there will be some gain/profit?

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Ahmad Ansari, Public Works Director/City Engineer stated the good news is that there is a light at the end of the tunnel and there has been City Council direction from the get go that in anticipation of the arbitration and the legal issues in the future. An independent oversight inspector has to be present. In terms of recovering all the costs they are working with the City Attorney's Office to evaluate all the costs.

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Council Member Robertson stated that besides the recovery of the costs, they started because they were hoping this would be the way of the future. She is hoping the project they felt was going to be a great project is close.

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Mayor Pro Tem Scott stated that he believes they will see the light at the end of the tunnel. He is confident with the people who looked at the system that it's a viable system. It just had a lot of bugs.

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NEW BUSINESS

TAB 6 - Seventh Amendment to PSA Science Applications International Corporations for Phase I of the Wastewater Treatment Plant Upgrade

City Attorney Gutierrez stated in response to Mayor Pro Tem's statement that it's a viable system. He doesn't want that to come back and hurt them. The reality is that there many problems with this system but the City did not learn about them until it spent millions of dollars to bring it forth. Over a year ago when Chevron wanted the City to give them a Certificate of Substantial Completion which would mean that legally the City was satisfied and they had no claim. The City refused to do so unless they showed the City that the system worked. They said they weren't going to do anything else unless they got their Certificate. So they are at an impasse and they had a choice to do nothing and continue to let the system be inoperable or the City try and make it operable. This is what they have done and its taken long time. The team has produced slow steady progress to the point that its now producing electricity and they not buying electricity for the most part. They are operating on the sludge and FOG they are being paid to accept. There are still some challenges and he thinks they have certain opinions about what the failings were on behalf of Chevron and the representations as to what it can do have not been realized. He would not be in support of Mayor Pro Tem's statement that it's viable. His only reason is because he doesn't want that statement to come back and be used against this litigation.

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Mayor Pro Tem Scott stated that when he referred to viable he meant after. As they recall he stated the original proposer of the project didn't know what they were doing, clearly. He means viable after all the modifications have been done and all the additional work has been done they paid for.

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Motion by Council Member Palmer, second by Council Member Robertson and carried by a 4-0 vote to adopt budget **RUA Resolution No. 06-11** and a Seventh Amendment to the Professional Services Agreement with Science Applications International Corporations for Phase I of the Wastewater Treatment Plant Upgrade in the amount of \$167,725. Mayor Vargas was absent.

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TAB 7 – Construction Contract with Blasé Sign Company for the Centennial Walk of Fame Project

City Attorney Gutierrez stated that Mayor Pro Tem Scott and Council Member Palmer have a potential conflict because they own property within 500 feet of this project. Given the fact that the Mayor is not available to be at the meeting and they must action. They are both disqualified and they ask one to come back using the lottery provision that is provided in the Government Code.

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NEW BUSINESS

TAB 7 – Construction Contract with Blasé Sign Company for the Centennial Walk of Fame Project

Council Member Palmer stated that one of the things that should be stated in addition to that is that he and Mayor Pro Tem Scott have used this vendor for sign work as well as an additional conflict.

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City Attorney Gutierrez stated that it's only a conflict if they pay you money.

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Council Member Robertson asked does it matter which one draws because the last time Council Member Palmer stated he never wins the lottery so does he get to draw first?

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City Attorney Gutierrez stated that it all up to the City Clerk.

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Council Member Palmer drew a lottery ticket first and was approved to stay and vote.

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Mayor Pro Tem Scott left the dais at 6:55 p.m.

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Ahmad Ansari, Public Works Director/City Engineer stated that this is request to award a Construction Contract to Blasé Sign Company for the Centennial Walk of Fame Project – granite stars. Not the concrete work but the stars that are made of granite in the amount of \$70,000. A few meetings ago, Mike Story and City Clerk did a presentation regarding the Centennial Celebration in November. As part of the activities to commemorate the Centennial, the City is in the process of constructing a walkway in the existing raised median on Riverside Avenue. The walkway will include benches and granite stars. A sample of the star was presented at City Council and was well received and approved. These benches and stars will be engraved with the names of the donors as they purchase the benches and stars. Staff requested bids from local vendors capable of constructing the stars. Three companies expressed interest in submitted bids but only two chose to submit bids. The lowest bidder was submitted by a local sign contractor Blasé Sign Company. This company has done benches for the City before and familiar with what they had anticipated in this project. This vendor had took the initiative on their own to prepare a sample star at no cost to the City. To fund the \$70,000 construction costs. BIDA has placed a \$20,000 donation and the City is anticipating to sell the stars at a reasonable price of \$250 per star for a total of \$50,000. This will offset the \$70,000 cost.

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NEW BUSINESS

TAB 7 – Construction Contract with Blasé Sign Company for the Centennial Walk of Fame Project

Diana Lucier 6303 Lilac Ave., Rialto expressed her concern regarding the amount of money being spent on the Centennial Celebration.

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Council Member Palmer stated that it's his understanding that the benches are all sold.

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City Clerk Barbara McGee stated that they have added additional benches because there was an interest from people. The money they are raising are coming from donations and they have raised a lot of money. The money raised for the Birthday has nothing to do with the General Fund. It's coming from sponsorships and donations.

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Council Member Robertson stated that besides being an elected official she is also a resident of Rialto since 1988. As a member of the Birthday Committee along with other members all of which are citizens in the City. They are going to have ups and downs in this City based on the economic situation. The City is only going to celebrate one Birthday - 100th Celebration. She doesn't think it will be fair to the citizens or to the community for them not to take the time to recognize that they have managed to endure. If they present and bring the concerns up and as a citizen of the City they are more than welcome to be part of the Birthday Committee. To see all the effort and all the people who are out trying to raise money. She doesn't know if they bothered to check and see how many stars have already been sold or the fact that most of the benches are sold. Sponsorship packets are going out to the major corporate members. The goal is to raise this money through donations and to not impact the General Fund. The overtime that is being put in she was not was not aware of the overtime. She would like the City Administrator and Public Works Director to keep track of that. As a citizen, the employees are there for the City of Rialto. Hopefully the City and all the employees pitch in and be supportive and be a part of the Celebration. When the event happens there will be a carnival, vendors and opportunities for small business to support their efforts. With regard to the beer garden the City is not making arrangements for the beer. The beer is being created and donated and if anything helping to raise some additional funds to help offset some of the expenditures and costs associated with the event. There are two separate issues going on here and it amazes her because she doesn't see a citizen getting up bringing forth all these costs and mixing the information. Right now the budget for the City, the cost to do business to provide services to the citizens of Rialto.

NEW BUSINESS

TAB 7 – Construction Contract with Blasé Sign Company for the Centennial Walk of Fame Project

Council Member Robertson stated that 80% of it is associated with costs just for personnel. 20% is for services and supplies and other things. They are trying to figure out how they can accomplish it all and provide services to the citizens of Rialto and not lower their level of services. If they do have to lower their level of services she hopes it will be a balance on both ends. She is irritated with that, because she doesn't mind people coming up and speaking but they need to be well informed. Don't be focused on one self interest. Let's focus on the whole betterment of the community because she lives there too.

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Council Member Baca Jr. stated that \$20,000 of the \$70,000 is coming from BIDA.

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Council Member Robertson stated that the BIDA money is from the assessment district. This is money for business improvement in the downtown.

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Council Member Baca Jr. stated that he purchased a bench and four stars.

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Council Member Robertson stated that she purchased a star.

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Council Member Palmer stated that he owns a lot of properties in the downtown and he paid a lot of money into BIDA over the past 10 years. It's his understanding that they have close to \$100,000 of that money that can only be used in the downtown area. There is nothing stopping them from asking for more to help offset any other expenses.

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Motion by Council Member Palmer, second by Council Member Robertson and carried by a 3-1 vote to award a Construction Contract to Blasé Sign Company for the Centennial Walk of Fame Project – Granite Stars in the amount of \$70,000. Mayor Vargas was absent. Mayor Pro Tem Scott abstained from voting.

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Mayor Pro Tem Scott returned to the dais.

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NEW BUSINESS

TAB 8 – Enforceable Obligation Payment

Greg Lantz, Redevelopment Agency stated this is a consideration of a resolution establishing the Enforceable Obligation Payment Schedule for the Redevelopment Agency as required under AB1X26. This is a result of Governor Brown executing AB26 and AB27 as part of the State budget in June. AB26 is basically the elimination of Redevelopment Agencies. It requires the Agency to unwind its operations. The payment schedule is part of the obligation. The Agency has current existing agreements. AB27 is for the allowance of the Redevelopment Agency to re-establish itself. On August 9th they enacted an Ordinance to reactivate themselves under a voluntary redevelopment program. However back on August 11th the California Supreme Court announced they would hear the lawsuits filed by the CRA and League of Cities challenging AB26 and AB27. As a part of that they instituted a “stay” on certain provisions of AB26 and AB27 which basically put them out of business again. They have to file an enforceable obligation payment schedule by August 28th and need to do at a public meeting. In the Agenda is Exhibit A, which list all the existing obligations of the Agency that would be enforced if they do go out of business and the successor agency has to make those necessary payments.

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Council Member Robertson, second by Council Member Baca Jr. and carried by a 4-0 vote to to adopt **RDA Resolution No. 740** establishing the Enforceable Obligation Payment Schedule for the Rialto Redevelopment Agency as required under AB1X 26. Mayor Vargas was absent.

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ORAL COMMUNICATIONS

Rafael Trujillo, Representative for Congressman Baca gave an update from the Congressman’s Office.

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REPORTS

Council Member Palmer gave no report.

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Council Member Baca Jr. stated that he attended the meeting regarding the golf course at El Rancho Verde. There was a lot of public support. City Administrator had read a letter from Mayor Pro Tem Scott in support of keeping the golf course open. The Congressman is doing a walk-through this week with Fish and Wildlife to deal with some of the endangered species they have.

He attended the opening ceremonies for Rialto Youth Soccer League and he thanked the president and board of directors for doing a great job. They had financial issues but have recovered.

REPORTS

Council Member Baca Jr. attended the Rialto High School Football Boys Car Wash on Foothill and Eucalyptus raising money to support their efforts. It was good to see that the community was willing to come out and donate money.

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Council Member Robertson requested that they close the meeting in memory of Ms. Gloria Fay Baker who was a long time Rialto resident near Hughbanks Elementary.

She stated that she received an e-mail acknowledging Office Blue who assisted a resident. She thanked him for providing that level of customer service.

She encouraged everybody to attend the Human Relations Commission Pancake Breakfast Fundraiser at Farmer Boys on August 27-28.

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City Clerk McGee stated that people will need to purchase advanced tickets for the fundraiser breakfast.

She stated that the Celebration is an exciting moment to be in the City and be 100 years. The community is excited and she challenges herself to raise the money. Everyone at the dais has purchased a star and benches. She challenges the community to purchase their star. Not counting the department heads only one employee has purchased a star. She understands they are going through some hard times but the money for the Birthday is coming from the community.

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Mayor Pro Tem Scott stated that about one month ago he asked for the current status on the contract for the graffiti removal. He has yet to receive that report and he wants that to be a public report to City Council. He continues to have an issue with the way graffiti is being dealt with in the City. It is all over the City. This contractor is not doing his job. One of the things he was told by the contractor was that he had been instructed by Public Works not to match colors on certain buildings. If they recall when they went through the presentation for the graffiti contractor and what sold his company to the City was the fact he had these paint mixtures and could match any color. So far he has only matched one color. Brown. He even painted a house that use to be white, brown. He wants to know where that contract is and want to know why graffiti is not being taken care of in the City. He is not going to wait another month for that.

He has been made aware that sometimes in the Consent Calendar items, City Council is approving stuff that is really more than \$50,000. Because of extension of contracts to individuals to do work that amounts to more than the minimum amount.

REPORTS

Mayor Pro Tem Scott stated for the future he would like all Construction Contracts to be placed on a TAB item so that City Council can review in a more appropriate way.

He stated the City is going through some very tough times. Every resident and business in the City is going through some tough times. Those who have businesses and live here are making sacrifices. They have one of the largest foreclosure rates in the County. The employees have been asked to look at concessions and bring ideas forward. Frankly, a lot of people are lucky to have jobs right now. They need to work with the management of the City and City Council on coming up with new ideas and concessions that can keep them afloat. Every employees are servants to the community. They are there to serve the community. They are there to make sure they are protected, get services and employees do a great job. He will caution employees thinking this is business as usual. It clearly is not. They are spending their reserves every day and the City will get to a point where there are no longer reserves to preserve their credit rating. The US Government's credit rating got downgraded. He is encouraging every employee in the City to come forward open-minded. He is encouraging every resident to be mindful that services may be curtailed and that they may have to work with less as a City. He appreciates the volunteerism that is done in the City. They have many people who work hard and step up and dedicate a lot of free time. They all have to work together.

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ADJOURNMENT

Motion by Council Member Baca Jr., second Council Member Robertson and carried by a 4-0 vote to adjourn the City Council Meeting in memory of:

Ms. Gloria Fay Baker

Rialto Resident

Mayor Vargas was absent.

The City Council adjourned at 7:30 p.m.

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MAYOR PRO TEM ED SCOTT

ATTEST:



CITY CLERK BARBARA A. MCGEE